

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2020

Docket No. ACR2020

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-24 OF CHAIRMAN'S INFORMATION REQUEST NO. 22

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 22, issued on March 2, 2021. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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1. A successful overall Customer Experience (CX) program has a measurable impact on an organization's results and fulfillment of its mission. Please describe each CX program or initiative that has had a measurable impact on CX survey results and helped the Postal Service fulfill its mission. In the response, please explain how each CX program or initiative had a measurable impact on CX survey results and helped the Postal Service fulfill its mission. If available, please provide quantitative support for the explanations and identify the metric(s) used.

RESPONSE:

The Postal Service is fulfilling its mission of serving the American people and businesses through the universal service obligation by delivering a world-class customer experience. In FY 2020, the Postal Service implemented numerous programs and initiatives to impact CX survey results and help the Postal Service fulfill its mission. The description of each CX program and initiative for each survey are detailed on pages 44-54 of the Postal Service's FY 2020 Annual Compliance Report.

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2. Voice of the Customer (VoC) platforms capture, analyze, and report on all customer feedback associated with an organization, such as expectations, likes, and dislikes.¹ An effective VoC platform can manage multiple customer surveys and can trigger follow-up surveys based on responses provided to further explore specific issues.
- a. Please explain whether and how the Postal Service uses a VoC platform to capture, analyze, and report on customer feedback. In the response, please:
 - i. Describe the VoC platform and explain how it manages the Postal Service's CX surveys. If the Postal Service uses the VoC platform from an outside company, please provide the company name.
 - ii. Explain whether and how the VoC platform triggers follow-up surveys based on responses provided to CX survey questions. In the response, please identify each CX survey question that triggers follow-up surveys, and provide copies of the follow-up surveys.
 - b. If the Postal Service does not use a VoC platform:
 - i. Please describe the platform the Postal Service uses for managing the CX surveys.
 - ii. Please explain whether the Postal Service has considered using a VoC platform and why the Postal Service is not using this platform. If the Postal Service has not considered using a VoC platform, please explain why not.

RESPONSE:

- a.
 - i. The Postal Service uses the InMoment and Medallia VoC platforms to capture, analyze, and report on all customer surveys. These platforms

¹ GetFeedback by SurveyMonkey, *How to Run a Successful Voice of the Customer (VoC) Program*, available at: <https://www.getfeedback.com/resources/voice-of-the-customer/how-to-run-a-successful-voice-of-the-customer-voc-program/>.

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consolidate the results of the CX surveys and enable the Postal Service to view survey results in real-time. The Postal Service has access to historical satisfaction and attribute scores for year-over-year comparisons, text analytics tools to understand customer sentiment around different themes, and the ability to view results at the Area and District levels.

- ii. The Postal Service does not use the VoC platform to trigger follow-up surveys based on responses to CX survey questions.

b. Not applicable.

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3. The CX Composite Index performance indicator result is calculated by multiplying CX survey results with their respective weights. *FY 2020 Annual Report* at 36-37. The *FY 2020 Report* provides the weights for each customer survey. *Id.* at 37. Please explain how the Postal Service determined the weight for each CX survey. In the response, please describe factors or criteria the Postal Service considered when determining the weight for each survey and explain why the surveys are weighted differently.

RESPONSE:

The Customer Experience Composite (CX Composite) provides a holistic view of customer satisfaction across seven areas where customers connect with the Postal Service. The metric (overall satisfaction) is calculated based on a weighted average of the customer's overall satisfaction score across these seven areas of customer contact, based on the percentage of responses in the top two box (i.e. "Very Satisfied" or "Mostly Satisfied") on a six point satisfaction scale.

The weighted CX Composite is comprised of three core areas:

- Delivery Experience. This area constitutes 40 percent of the CX Composite and is divided equally between the Delivery and C360 surveys (i.e., 20 percent for each survey).
- Business Experience. This area constitutes 20 percent of the CX Composite and is divided equally between the BSN and BMEU surveys (i.e., 10 percent for each survey).

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- Consumer Experience. This area constitutes the remaining 40 percent of the CX Composite and is divided among the CCC survey (20 percent), POS survey (15 percent) and USPS.com survey (5 percent).

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4. FY 2020 CX survey results run the gamut from 40.05 for the C360 survey to 97.33 for the Business Service Network (BSN) survey. *See id.* Please explain why the results vary significantly across the CX surveys. In the response, please explain in detail the specific reasons for substantially lower scores on the C360 and Customer Care Center surveys, as well as the relatively higher scores on the BSN and Business Mail Entry Unit surveys.

RESPONSE:

Results for a particular CX survey should not be compared against other CX surveys because of differences in each survey's methodologies and the types of customer interactions with the Postal Service that are measured by each survey. For example:

- The C360 survey is sent to customers (both residential and businesses) who filed a case or service request. Cases are handled by the customer's local Post Office, which handles cases for numerous customers at once. Additionally, customers receive a survey invitation for each case that was created and closed, giving them multiple opportunities to take the survey. The survey measures satisfaction with their issue resolution experience for each case closed.²
- The BSN survey is sent to high-volume commercial shippers who initiate a service request with their dedicated BSN representative. The BSN provides a

² The C360 Overall Satisfaction (OSAT) question is "Overall, how satisfied are you with the quality of service you received in response to the issue?"

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more personalized issue resolution process because of the existing business relationship with the customer. Additionally, business rules are applied to the survey such that customers will only be sent one survey invitation within a 30-day period regardless of the number of service requests that they may have with the BSN. The survey measure satisfaction with overall experience of the BSN.³

Because of these differences in the methodology and interaction types, scores cannot be compared across surveys.

³ The BSN Overall Satisfaction (OSAT) question is “How satisfied are you with the overall experience provided by the Business Service Network?”

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5. The following requests concern the Net Promoter Score (NPS) question, which asks customers how likely they are to recommend the Postal Service to friends or family.⁴
- a. For each CX survey, please identify the NPS question and provide the FY 2020 NPS result for that question.
 - b. Please provide NPS question results for FY 2020, Quarter 4; FY 2021, Quarter 1; and FY 2021, Quarter 2 to date. If the Postal Service cannot provide these data, please explain why.

RESPONSE:

- a. The NPS question and FY 2020 NPS result for each CX survey are provided below:

| Survey | NPS Question | FY 2020 NPS Result |
|---------------------------------|---|--------------------|
| Business Service Network (BSN) | Thinking about your overall experience with the Business Service Network (BSN), how likely are you to recommend the USPS to a colleague? | 86.87 |
| Business Mail Entry Unit (BMEU) | Thinking about your most recent visit or call to this Business Mail Entry Unit, how likely are you to recommend the USPS to a colleague? | 85.29 |
| Point-of-Sale (POS) | Thinking about this visit to the Post Office, how likely are you to recommend the USPS to a friend or colleague? | 62.57 |
| Delivery | Thinking about your overall experience with receiving mail and/or packages delivered by USPS recently, how likely are you to recommend the USPS to a [RESIDENTIAL: friend or family member, SMALL BUSINESS: colleague]? | 49.51 |

⁴ United States Postal Service, Office of Inspector General, Report No. RARC-WP-18-003, Delivering the Best Customer Experience, December 13, 2017, at 3.

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| | | |
|--|---|--------|
| USPS.com | Thinking about your recent experience with the USPS.com website, how likely are you to recommend the USPS to a friend or colleague? | 33.9 |
| Customer Care Center (CCC) | Thinking about your recent experience with the contact center, how likely are you to recommend the US Postal Service to a friend or colleague? | 15.62 |
| Customer360 (C360) | Thinking about the service you received in response to this issue, how likely are you to recommend the USPS to a friend, family member, or colleague? | -23.27 |
| Note: The NPS questions are on a 11-point scale, where 10 means "Extremely Likely" and 0 means "Not at All Likely." NPS= % Promoters (9 & 10) - % Detractors (0 thru 6). | | |

- b. NPS question results for each CX survey for FY 2020, Quarter 4; FY 2021, Quarter 1; and FY 2021, Quarter 2 to date are provided below:

| Survey | FY 2020 Q4 NPS Result | FY 2021 Q1 NPS Result | FY 2021 Q2 to date NPS Result ¹ |
|--|-----------------------|-----------------------|--|
| Business Service Network (BSN) | 86.26 | 86.04 | 86.13 |
| Business Mail Entry Unit (BMEU) | 87.01 | 86.54 | 85.27 |
| Point-of-Sale (POS) | 62.32 | 61.43 | 62.18 |
| Delivery | 45.97 | 39.16 | 21.65 |
| USPS.com | 32.1 | 12.4 | 15.9 |
| Customer Care Center (CCC) | 15.68 | 6.93 | 4.05 |
| Customer360 (C360) | -27.36 | -37.83 | -43.47 |
| Note: The NPS questions are on a 11-point scale, where 10 means "Extremely Likely" and 0 means "Not at All Likely." NPS= % Promoters (9 & 10) - % Detractors (0 thru 6). | | | |
| 1. FY 2021 Q2 NPS Result Time Period: Jan 1, 2021 – Feb 28, 2021 | | | |

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6. Please explain the connection between CX survey results and Postal Service organizational results, such as revenue generation, contribution, and customer retention.⁵ In the response, please explain whether and how CX survey results impacted Postal Service organizational results, and vice versa. If available, please provide quantitative support for the explanations and identify the metric(s) used.

RESPONSE:

The Postal Service has not established metrics that directly correlate CX survey results with the Postal Service's revenue generation, contribution, or customer retention.

⁵ For example, the Postal Service could explain how high CX survey results are linked to higher customer retention.

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7. In Docket No. ACR2019, the Postal Service stated that it does not measure customer confidence or trust because “[i]t is industry best practice to measure customer satisfaction.”⁶ Please explain whether and how the Postal Service has reconsidered its position regarding the measurement of customer confidence or trust. If the Postal Service’s position has not changed, please explain why.

RESPONSE:

The Postal Service’s position has not changed regarding the measurement of customer confidence or trust. The Postal Service continues adhering to the industry best practice of measuring customer satisfaction and Net Promoter Score.

⁶ Docket No. ACR2019, Responses of the United States Postal Service to Questions 1-4 of Chairman's Information Request No. 22, March 26, 2020, question 4.b.

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8. During the summer of FY 2020, the Postal Service implemented several operational changes, including an organizational restructuring, elimination of late and extra trips to transport mail, and expedited street afternoon sortation.⁷
- a. Please explain whether and how the Postal Service measured the impact of these operational changes on customer experience. If the Postal Service measured this impact:
 - i. Please identify the applicable questions on the CX surveys measuring the impact of the operational changes on customer experience.
 - ii. Please describe any customer satisfaction or trust issues identified by survey responses as caused by the operational changes.
 - iii. Please explain whether and how the Postal Service deployed other customer surveys or measures of customer sentiment to investigate how the operational changes affected customer experience. If the Postal Service did not deploy other customer surveys or measures of customer sentiment to conduct this investigation, please explain why.
 - iv. Please explain how the operational changes impacted FY 2020 CX results.
 - v. Please provide CX survey results or other measurable data for the time periods before and after the operational changes were implemented.
 - b. If the Postal Service did not measure the impact of the operational changes on customer experience, please explain why.

RESPONSE:

- a. The Postal Service did not measure the impact of operational changes on customer experience.

⁷ United States Postal Service, Office of Inspector General, Report No. 20-292-R21, Operational Changes to Mail Delivery, October 19, 2020, at 2.

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- b. The Postal Service monitors the CX Composite on a weekly and monthly basis.

During FY 2020, some of the CX surveys saw an increase and some saw a decrease in overall satisfaction. It is very difficult to precisely and accurately isolate what drove the increases or decreases in scores due to the effects of the COVID-19 Pandemic, operational changes, and any other changes or factors.

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9. Please explain whether and how the Postal Service provided notice and information about the operational changes to customers and Postal Service stakeholders. In the response, please explain how the Postal Service provided notice and information about these changes specifically to customers who vote by mail or send or receive prescription drugs using the mail.

RESPONSE:

The Postal Service did not provide prior notice to customers and stakeholders regarding reemphasis on the importance of adhering to the Postal Service's transportation schedules, or the other routine operational initiatives pursued by the Postal Service's operations executives. These efforts were intended to improve the Postal Service's efficiencies without impacting service to the Postal Service's customers. The Postal Service commits to consult with relevant stakeholders regarding its strategic planning process, mindful of all applicable laws and regulations.

Although the Postal Service did not provide prior notice to its customers and stakeholders about its internal operational changes, the Postal Service conducted extensive outreach efforts to ensure that elections officials were prepared to effectively use the mail for the 2020 election cycle. The Postal Service also developed a comprehensive strategy for educating the voting public directly regarding the use of the mail to vote, including a new Election Mail website (available at <https://about.usps.com/what/government-services/election-mail/>) that contained clear and comprehensive information for election officials and the public.

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Additionally, the Postal Service continuously reviews pharmaceutical package service performance, and it works closely with mail-order prescription mailers to correct any issues that may arise as a result of current service conditions.

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- 10.** Please explain whether and how the Postal Service measures customer satisfaction with the ability to contact Postal Service representatives to resolve concerns such as those related to operations, service, payment, and business practices. In the response, please identify the applicable CX survey questions and provide CX survey results, customer sentiment data, or other data for the time periods before and after the Postal Service organizational restructuring. If the Postal Service does not measure customer satisfaction with the ability to contact Postal Service representatives to resolve concerns, please explain why.

RESPONSE:

Customers can provide any feedback related to their concerns with the Postal Service via USPS.com (Email Us or the Feedback button) or 1-800-ASK-USPS (Customer Care Center). The Postal Service's CX surveys are given to customers after those customers have interacted with the Customer Care Center or after an inquiry was created and closed. On all of the Postal Service's CX surveys, customers are asked "What is the primary reason behind your rating?" Customers can leave comments about their experience including about their ability to contact a Postal Service representative to resolve concerns. By using text analytics on these comments, the Postal Service analyzes customer sentiment and themes across different touch points.

The Postal Service announced an organizational realignment on August 7, 2020.⁸ CX survey results for the time period before and after the restructuring are

⁸ <https://www.uspsoig.gov/document/operational-changes-mail-delivery>

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listed below. As stated in 8b above, it is very difficult to precisely and accurately isolate what drove the increases or decreases in scores due to the effects of the COVID-19 Pandemic, operational changes, and any other changes or factors.

| Survey | Before Restructuring¹ Score | After Restructuring² Score |
|--|---|--|
| Business Service Network (BSN) | 97.38 | 97.55 |
| Business Mail Entry Unit (BMEU) | 97.42 | 96.94 |
| Point-of-Sale (POS) | 86.83 | 85.82 |
| Delivery | 81.22 | 76.35 |
| USPS.com | 72.24 | 72.76 |
| Customer Care Center (CCC) | 61.30 | 61.36 |
| Customer360 (C360) | 38.20 | 37.33 |
| 1. Before Restructuring Time Period: Jun. 13 – Aug. 6, 2020. (54 Days) | | |
| 2. After Restructuring Period: Aug. 7 – Sep. 30, 2020. (54 Days) | | |

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- 11.** Some customer surveys ask customized follow-up questions after customers complete the initial survey to facilitate better customer engagement and obtain targeted feedback from customers regarding specific products and services. Please explain whether and how the Postal Service asks follow-up questions after customers complete the CX surveys. In the response, please provide the follow-up questions and explain when the Postal Service would ask them. If the Postal Service does not ask any follow-up questions after customers complete the CX surveys, please explain why.

RESPONSE:

In the Business Service Network (BSN) and Business Mail Entry Unit (BMEU) surveys, there is a trigger question that allows the customer to indicate if they want a Postal Service representative to contact them regarding their experience. There are no follow-up questions for the other CX surveys after a survey has been completed.

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- 12.** In Docket No. ACR2019, the Postal Service filed FY 2020 performance measures and targets for the strategic initiatives.⁹ Please provide the FY 2020 result for each performance measure provided in Library Reference USPS-FY19-NP37.

RESPONSE:

In mid fiscal year 2020, the Postal Service terminated the FY 2020 strategic initiative portfolio. Under new leadership, resources were redirected from tracking the FY 2020 strategic initiatives to developing the FY 2021 strategic initiative portfolio. As such, the Postal Service is unable to provide comparable FY 2020 results for each performance measure similar to those contained in USPS-FY19-NP37.

However, in its response to Question 1.b of ChIR No. 8 on Feb. 5, 2021, the Postal Service provided relevant, public corporate performance measures that supported FY 2020 strategic initiatives performance. Those responses are re-stated below:

| FY2020 Strategic Initiative | Build a World-Class Customer Experience | |
|------------------------------------|--|-----------------------|
| Corporate Performance Goal | Corporate Performance Indicator | FY 2020 Actual |
| High-Quality Service | Single-Piece First-Class Mail | |
| | Two-day | 91.47 |
| | Three-to-five-day | 78.83 |

⁹ Docket No. ACR2019, Library Reference USPS-FY19-NP37, February 3, 2020, question 1.d.

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| | | |
|--------------------------------------|---|-------|
| | Presort First-Class Mail | |
| | Overnight | 94.72 |
| | Two-day | 92.77 |
| | Three-to-five-day | 89.89 |
| | First-Class Mail Letter and Flat Composite (FCLF) | 89.73 |
| | Marketing Mail and Periodicals Composite | 88.38 |
| | Market Dominant Composite | 89.00 |
| Excellent Customer Experiences | Customer Experience (CX) Composite Index | 72.40 |
| Safe Workplace and Engaged Workforce | Engagement Survey Response Rate | 33% |

| | | |
|--------------------------------------|---|-----------------------|
| FY2020 Strategic Initiative | Improve Employee Experience | |
| Corporate Performance Goal | Corporate Performance Indicator | FY 2020 Actual |
| Safe Workplace and Engaged Workforce | Total Accident Rate | 13.09 |
| | Engagement Survey Response Rate | 33% |
| Financial Health | Controllable Income (Loss, \$ in billions) | (3.75) |
| | Deliveries per Total Work Hours, Percent Change | 0.90 |

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| FY2020 Strategic Initiative | Accelerate Innovation to Maximize Business Value | |
|--------------------------------------|---|-----------------------|
| Corporate Performance Goal | Corporate Performance Indicator | FY 2020 Actual |
| High-Quality Service | Single-Piece First-Class Mail | |
| | Two-day | 91.47 |
| | Three-to-five-day | 78.83 |
| | Presort First-Class Mail | |
| | Overnight | 94.72 |
| | Two-day | 92.77 |
| | Three-to-five-day | 89.89 |
| | First-Class Mail Letter and Flat Composite (FCLF) | 89.73 |
| | Marketing Mail and Periodicals Composite | 88.38 |
| | Market Dominant Composite | 89.00 |
| Excellent Customer Experiences | Customer Experience (CX) Composite Index | 72.40 |
| Safe Workplace and Engaged Workforce | Total Accident Rate | 13.09 |
| | Engagement Survey Response Rate | 33% |
| Financial Health | Controllable Income (Loss, \$ in billions) | (3.75) |
| | Deliveries per Total Work Hours, Percent Change | 0.90 |

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| FY2020 Strategic Initiative | Accelerate Innovation to Create Customer Value and Increase Profitability | |
|------------------------------------|--|-----------------------|
| Corporate Performance Goal | Corporate Performance Indicator | FY 2020 Actual |
| High-Quality Service | Single-Piece First-Class Mail | |
| | Two-day | 91.47 |
| | Three-to-five-day | 78.83 |
| | Presort First-Class Mail | |
| | Overnight | 94.72 |
| | Two-day | 92.77 |
| | Three-to-five-day | 89.89 |
| | First-Class Mail Letter and Flat Composite (FCLF) | 89.73 |
| | Marketing Mail and Periodicals Composite | 88.38 |
| | Market Dominant Composite | 89.00 |
| Excellent Customer Experiences | Customer Experience (CX) Composite Index | 72.40 |
| Financial Health | Controllable Income (Loss, \$ in billions) | (3.75) |

| FY2020 Strategic Initiative | Build Platform to Grow Profitable Packages Business | |
|------------------------------------|--|-----------------------|
| Corporate Performance Goal | Corporate Performance Indicator | FY 2020 Actual |
| High-Quality Service | Single-Piece First-Class Mail | |
| | Two-day | 91.47 |

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| | | |
|--------------------------------|---|--------|
| | Three-to-five-day | 78.83 |
| | Presort First-Class Mail | |
| | Overnight | 94.72 |
| | Two-day | 92.77 |
| | Three-to-five-day | 89.89 |
| | First-Class Mail Letter and Flat Composite (FCLF) | 89.73 |
| | Marketing Mail and Periodicals Composite | 88.38 |
| | Market Dominant Composite | 89.00 |
| Excellent Customer Experiences | Customer Experience (CX) Composite Index | 72.40 |
| Financial Health | Controllable Income (Loss, \$ in billions) | (3.75) |
| | Deliveries per Total Work Hours, Percent Change | 0.90 |

| | | |
|------------------------------------|--|-----------------------|
| FY2020 Strategic Initiative | Optimize Network Platform | |
| Corporate Performance Goal | Corporate Performance Indicator | FY 2020 Actual |
| High-Quality Service | Single-Piece First-Class Mail | |
| | Two-day | 91.47 |
| | Three-to-five-day | 78.83 |
| | Presort First-Class Mail | |
| | Overnight | 94.72 |
| | Two-day | 92.77 |
| | Three-to-five-day | 89.89 |

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| | | |
|------------------|---|--------|
| | First-Class Mail Letter and Flat Composite (FCLF) | 89.73 |
| | Marketing Mail and Periodicals Composite | 88.38 |
| | Market Dominant Composite | 89.00 |
| Financial Health | Controllable Income (Loss, \$ in billions) | (3.75) |
| | Deliveries per Total Work Hours, Percent Change | 0.90 |

| | | |
|------------------------------------|---|-----------------------|
| FY2020 Strategic Initiative | Delivery Structure Optimization | |
| Corporate Performance Goal | Corporate Performance Indicator | FY 2020 Actual |
| High-Quality Service | Single-Piece First-Class Mail | |
| | Two-day | 91.47 |
| | Three-to-five-day | 78.83 |
| | Presort First-Class Mail | |
| | Overnight | 94.72 |
| | Two-day | 92.77 |
| | Three-to-five-day | 89.89 |
| | First-Class Mail Letter and Flat Composite (FCLF) | 89.73 |
| | Marketing Mail and Periodicals Composite | 88.38 |
| | Market Dominant Composite | 89.00 |
| Excellent Customer Experiences | Customer Experience (CX) Composite Index | 72.40 |
| Financial Health | Controllable Income (Loss, \$ in billions) | (3.75) |

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| | | |
|--|--|------|
| | Deliveries per Total Work Hours, Percent Change | 0.90 |
|--|--|------|

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- 13.** Please explain whether the Postal Service will continue to use the performance measures provided in Library Reference USPS-FY19-NP37 to track performance of strategic initiatives in FY 2021. If applicable, please provide an updated library reference listing FY 2021 performance measures and targets for the strategic initiatives.

RESPONSE:

No, the Postal Service will report performance using the metrics defined in its response to Question 1.a of ChIR No. 8, filed Feb. 5, 2021.

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- 14.** Please identify what percentage of the Postal Service's Market Dominant and Competitive mail volumes that travel all or in part by air is identified as "firm contract capacity" versus "as available capacity." In the response, please disaggregate the data between Market Dominant and Competitive products.

RESPONSE:

Approximately 89 percent of air volume (cu.ft) was transported on "contracted" or planned capacity in FY20. Of that volume (cu.ft), 14 percent was Market Dominant and 86 percent Competitive products. 11 percent of the air volume (cu.ft) was transported on extra service via available capacity, charters, and bedloads. There are no practical means to readily ascertain the proportion of market dominant and competitive products transported via charters and bedloads.

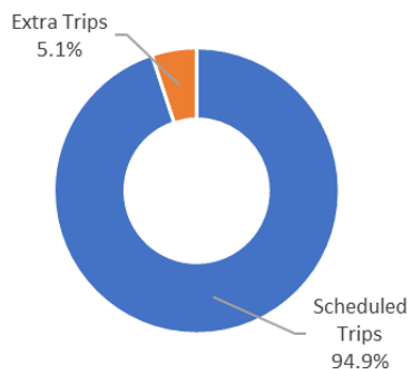
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- 15.** Please identify what percentage of the Postal Service’s Market Dominant and Competitive mail volumes that travel all or in part by ground is identified as “firm contract capacity” versus “as available capacity.” In the response, please disaggregate the data between Market Dominant and Competitive products.

RESPONSE:

Approximately 95 percent of surface volume was transported on regularly scheduled transportation in FY20, leaving 5 percent of the surface volume being transported via extra service. There are no practical means to readily ascertain the proportions of market dominant and competitive products.

FY20: %Volume Distribution by Trip Type



| %Volume Distribution | |
|----------------------|-------------|
| Scheduled Trips | Extra Trips |
| 94.9% | 5.1% |

- Data Source: IV Surface Transportation Performance Dashboard
- Include: Scheduled and Extra Trips - HCR & PVS Network & Local
- Exclude: Canceled Trips

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- 16.** The Postal Service states that, due to the COVID-19 pandemic, “employee availability affected the Postal Service’s ability to deliver mail,” that “at its peak the lack of sufficient delivery employees impacted over 735,000 deliveries,” and that “[o]n many days, more than 200,000 deliveries were affected.” *FY 2020 Annual Report* at 35.
- a. Please refer to the Postal Service’s graph listing “Employee Availability National” provided in its response to Commission Information Request No. 1, question 1.b.¹⁰ Please provide an updated table that disaggregates the data by work responsibility of employee (e.g., delivery, processing, retail).
 - b. Please identify the days in FY 2020, and thus far in FY 2021, on which more than 200,000 deliveries were affected because of a lack of employee availability.

RESPONSE:

- a. Please see the response to Question 2 of ChIR No. 6 (response filed on February 4, 2021) and the Excel file accompanying that response.
- b. Initially, it should be noted that the data referenced in the Annual Report come from a reporting process that was initiated only in April of 2020. Consequently, the available data may exhibit some of the instability associated with the normal roll-out difficulties associated with any new process. Moreover, the figures reported reflect any factors that might result in delivery points not being served, but do not identify the cause (e.g., pandemic-related employee availability or otherwise, such as weather-related). Additionally, daily reports are made only on non-holiday Mondays through Fridays, and each daily report pertains to the

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previous delivery day. Thus, Saturdays are covered in the Monday reports, but Fridays (that obviously could potentially experience similar issues as other days) are not covered, since there are no Saturday reports. Because of all of these factors, the following list reflects the best available current information regarding days in April or later of FY 2020 on which more than 200,000 deliveries were affected by some constraining factor, but should by no means be considered a definitive list of all days in FY 2020 on which more than 200,000 deliveries were actually affected by pandemic-related employee availability shortages.

April: 2, 4, 6-9, 11, 13-16
June: 1
July: 6, 11, 18, 20, 25, 27, 29
August: 1, 4-5, 24, 26-27
September: 8, 14-17

With respect to similar dates for FY 2021 thus far:

October: 10, 26-29
November: 9
January: 25-26
February: 1-4, 16-18, 20, 22

¹⁰ Responses of the United States Postal Service to Questions 1-21 of Commission Information Request No. 1, January 15, 2021, question 1.b. (Response to CIR No. 1).

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- 17.** The Postal Service states that “imposed shelter-in-place orders prevented normal retail operations” and that this change in retail operations led “to a decrease in overall service performance.” *FY 2020 Annual Report* at 35.
- a. Considering that service performance is measured from the time a mailpiece is accepted for mailing, please describe how the change in normal retail operations that was caused by the COVID-19 pandemic impacted service performance.
 - b. For each impact identified in response to question 17.a., please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please explain why it is unavailable and provide qualitative analysis in support of the identified impact.

RESPONSE:

While it may be reasonable to query whether, and how, compromised normal retail operations could affect overall service performance as currently measured, the Annual Report did not claim that any such causal link exists. The question above telescopes two distinct passages from the Annual Report, both of them located on page 35. The Report first addresses service performance: “Beginning in March 2020 and continuing throughout the second half of the fiscal year, the COVID-19 pandemic affected USPS processing, transportation, retail and delivery operations, leading to a decrease in overall service performance.” Two paragraphs later, it addresses normal retail operations: “Aside from employee availability, imposed shelter-in-place orders prevented normal retail operations. Nearly 100 retail offices were closed or operated with reduced hours in FY 2020. At the height of the pandemic, more than 360 alternate access offices were closed or operating with reduced hours. The location and operating hours of impacted offices fluctuated based on local orders and circumstances, even as

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the overall number of offices affected eventually stabilized.” At no point does the Annual Report represent the latter as having directly “led to” the former. Instead the Report identifies, as the root cause of the decline in service performance, the combined stresses placed on processing, transportation, retail and delivery operations by COVID-19.

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- 18.** In response to a Chairman's Information Request (CHIR) in Docket No. ACR2019, the Postal Service discussed its Continuity of Operations (COOP) plan, which was used in cases of severe weather events and industrial accidents.¹¹ According to the Postal Service, the COOP plan focuses on the ability to redirect mail and transportation when an individual processing facility cannot be used, and includes the preparation of alternate reporting sites for employees, the identification of offload sites for mail processing, and specific procedures to maintain critical operations in the face of an emergency. *Id.*
- a. Please describe whether the COOP plan was utilized in response to the COVID-19 pandemic. If the COOP plan was utilized in response to the COVID-19 pandemic:
 - i. Please identify which facilities utilized the COOP plan and the corresponding dates that the COOP plan was utilized by each identified facility.
 - ii. Please describe the impacts that the COOP plan had on mail processing and delivery in the affected facilities. For each impact identified, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please explain why it is unavailable and provide qualitative analysis in support of the identified impact.
 - iii. The Postal Service states that during FY 2020, "there were facilities that experienced employee availability rates below 50 percent at times." Response to CIR No. 1, question 1.b. Please explain whether and how the Postal Service utilized the COOP plan in response to this decrease in employee availability at these facilities. If the Postal Service did not utilize the COOP plan in response to the decrease in employee availability, please explain why.
 - b. If the COOP plan was not utilized in response to the COVID-19 pandemic, please explain why.

¹¹ Docket No. ACR2019, Responses of the United States Postal Service to Questions 1-7 of Chairman's Information Request No. 10, February 11, 2020, question 1.b.

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RESPONSE:

- a. The Postal Service did not direct facilities to activate individualized COOP plans.

The COOP process is designed for situations where employees are available but the facility is not, due to some event such as those that might destroy or damage a facility, or render it inoperable or inaccessible. In the case of the COVID-19 pandemic, facilities were available but, in some cases, had insufficient employees to operate at full capacity. However, sections of the COOP plan pertinent to moving mail were likely invoked at the local level.

- i. Because the Postal Service did not direct facilities to activate COOP plans, it is not possible to identify all sites that utilized sections of the plan or at what time.
- ii. Because the Postal Service did not direct facilities to activate COOP plans, it is not possible to measure the impact that the COOP plans had on mail processing and delivery.
- iii. The Postal Service did not activate the COOP plan in response to decreased employee availability.

- b. Please refer to the responses above.

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- 19.** The Postal Service states that “[s]cheduling and planning were impacted by the need to adhere to new CDC social distancing policy and guidelines.”¹²
- a. Please describe how social distancing was implemented in the Postal Service’s processing and distribution facilities.
 - b. Please describe the impacts that social distancing had on operations at the Postal Service’s processing and distribution facilities. For each impact identified, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please explain why it is unavailable and provide qualitative analysis in support of the identified impact.

RESPONSE:

- a. The Postal Service implemented several measures to accomplish social distancing in processing and distribution facilities (plants). Standard work instructions for social distancing were provided and posted on the Postal Service intranet. Plants were instructed to identify areas of operation where more than 10 people were working closely together and determine new layout/work assignments for the designated area(s) that allowed for social distancing. Breaks and lunches were staggered in order to lessen congestion and minimize the number of people in the break area at one time. Furniture in break areas was moved six feet apart where possible, and alternate break areas were provided in some cases. Service talks were given either in small, socially distanced groups or over a loudspeaker system. Dock doors were assigned six feet apart if

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possible or unload times were staggered. Social distancing rules were also provided for drivers entering our facilities.

- b. The Postal Service is unable to provide quantitative support for the impact of social distancing on operations in plants because such data were not collected. Social distancing in plants likely had a minimal impact on operations because most tasks were already performed six feet apart from others. The manual operation was affected more than others due to spacing cases further apart; sites that did not have the space to expand the operation had to resort to blocking every other case, which may have reduced capacity. The bigger impact was not to operations but to the format of service talks and the cadence of breaks and lunches.

¹² Responses of the United States Postal Service to Questions 1-11 of Chairman's Information Request No. 15, February 18, 2021, question 1.a. (Response to CHIR No. 15).

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- 20.** The Postal Service states that “[p]revious experiments with composite scores have revealed them to confer an array of benefits: they enable the Postal Service to concentrate its focus, streamline reporting, and avoid overemphasizing some indicators at the expense of others.”¹³ Please describe in detail the Postal Service’s past experience with using composite scores as well as the “previous experiments” undertaken with regard to composite scores and explain in detail how using composite scores has resulted in the benefits described.

RESPONSE:

The Postal Service shifted to composite scores to drive focus on the relative processes that drive improvement for the relative service categories. As an example, when the Postal Service initiated a Marketing/Periodical composite, the individual periodical categories improved with focus on the processes related to both products. The Postal Service has also used composite scores for First-Class Mail to ensure that it has placed an appropriate focus on the presort and single piece categories.

¹³ Reply Comments of the United States Postal Service, February 12, 2021, at 14.

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- 21.** In Response to CHIR No. 15, question 10.b., the Postal Service states that “the Competitive Service Targets for FY2021 have not been finalized.” However, in its non-public materials, the Postal Service identifies the FY 2021 target for the Competitive Products Composite.¹⁴
- a. Please confirm the Competitive Products Composite target for FY 2021.
 - b. Please describe whether and how the Postal Service has factored the impact of the COVID-19 pandemic, including the increased package volume, into this FY 2021 target.

RESPONSE:

- a. Not confirmed, the Postal Service has not set the target for FY 2021 for Competitive Products. The target in the USPS-FY20-NP30 was provided in error and should not be relied upon as the official target of Competitive Products Composite.
- b. Not applicable.

¹⁴ Library Reference USPS-FY20-NP30, December 29, 2020, folder “USPS-FY20-NP30,” file “NONPUBLIC Preface USPS-FY20-NP30.pdf,” at 4.

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- 22.** Please see the Postal Service's response to CHIR No. 10, question 5,¹⁵ involving network disruptions. Please describe the interaction between the network disruptions listed in this response and the COVID-19 pandemic.

RESPONSE:

Every year, the Postal Service contends with disruptions to the network, including hurricanes, fires, floods, and winter storms. These disruptions impact employee availability and the ability of facilities to remain open and operational. As a result, operations are negatively impacted for the duration of the disruption and its aftermath. In 2020, the COVID-19 pandemic presented an additional set of challenges that pervaded the second half of the fiscal year and beyond. While the pandemic did not impact facilities physically, it led to a decrease in employee availability, which impacted the ability of facilities to operate at full capacity. In addition, the pandemic caused an unprecedented surge in package volume; this would have been challenging even with normal employee availability, but the decreased availability due to COVID-19 made it even more difficult to manage. When typical disruptions such as storms occurred while the Postal Service was already contending with COVID-19, the ability to operate was further hampered by an increased strain on employee availability and the ability to keep facilities open.

¹⁵ Responses of the United States Postal Service to Questions 1-6 of Chairman's Information Request No. 10, February 11, 2021, question 5 (Response to CHIR No. 10).

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- 23.** Please refer to the Postal Service's table listing "FY 2020-FY 2021 Targets and FY 2017-FY 2020 Actuals for Corporate-wide Performance Outcomes" on page 33 of the *FY 2020 Annual Report*, as well as the Postal Service's Response to CHIR No. 10, question 4. Please provide an updated table that includes High-Quality Service results disaggregated by each FY 2020 fiscal quarter.

RESPONSE:

| Corporate Performance Outcome | Measure | FY20Q1 | FY20Q2 | FY20Q3 | FY20Q4 |
|-------------------------------|---|--------|--------|--------|--------|
| High-Quality Service | Single-Piece First-Class Mail | | | | |
| | Two-Day | 91.88% | 93.00% | 92.38% | 88.24% |
| | Three-to-Five-Day | 78.18% | 83.31% | 81.37% | 72.06% |
| | Presort First-Class Mail | | | | |
| | Overnight | 94.41% | 95.87% | 95.70% | 92.75% |
| | Two-Day | 93.50% | 94.41% | 93.25% | 89.64% |
| | Three-to-Five-Day | 91.25% | 92.55% | 90.67% | 84.63% |
| | First-Class Mail Letter & Flat (FCLF) Composite | 90.37% | 92.18% | 90.82% | 85.58% |
| | Marketing Mail & Periodical Composite | 88.90% | 91.18% | 88.70% | 85.34% |
| | Market Dominant Composite | 89.50% | 91.66% | 89.73% | 85.43% |

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- 24.** The Postal Service states that “extraordinary measures to ensure Election Mail is prioritized and delivered on-time have been instituted[,]” including “expedited handling of all election mail irrespective of mail class or postage paid, extra deliveries when needed and special pickups to deliver blank ballots to voters or completed ballots to boards of elections.” *FY 2020 Annual Report* at 36.
- a. Please describe the impacts of these extraordinary measures on the High-Quality Service results of the other, non-Election mail. For each impact identified, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please explain why it is unavailable and provide qualitative analysis in support of the identified impact.
 - b. Please describe how the Postal Service intends to factor these extraordinary measures into its High-Quality Service targets for FY 2021.

RESPONSE:

- a. The Postal Service cannot quantify the impact on non-Election Mail resulting from the extraordinary measures implemented for Election Mail. The goal of the extraordinary measures was to support the Postal Service's critical duty to deliver the nation's Election Mail securely and on time. In some instances, efforts to accelerate Election Mail might impede performance of non-election mail as they were competing for scarce resources due to the pandemic. In other instances, other mail might travel along with Election Mail and thus benefit from these extraordinary measures.
- b. The Postal Service cannot employ the Extraordinary Measures as a normal course of business, as those actions are too costly. The Postal Service's setting of performance targets will seek to set achievable targets given the conditions

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under which the Postal Service operated earlier in FY 2021, as well as those under which it continues to operate.